

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:399

ANSWERED ON:20.11.2002

PRIVATE SECTOR PARTICIPATION IN PORT SECTOR

PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government have identified areas for the Private sector participation in the port sector;
- (b) if so, the details thereof;
- (c) whether the Government have issued any clear cut guidelines for the major ports in that regard; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR)

(a)&(b): Yes, Sir. The Government has identified the following areas for private sector participation:-

- (i) Leasing out existing assets of the Port
- (ii) Construction/creation of additional assets, such as:
 - (a) Construction and operation of container terminals.
 - (b) Construction and operation of bulk, Multipurpose and specialized cargo berths.
 - (c) Warehousing, Container Freight Stations, storage facilities and tank farms.
 - (d) Cranage/Handling Equipment.
 - (e) Setting up of captive power plants.
 - (f) Dry docking and ship repair facilities.
- (iii) Leasing of equipment for port handling and leasing of floating crafts from the private sector.
- (iv) Pilotage.
- (v) Captive facilities for Port based industries.

The above areas are indicative in nature and individual ports can expand the scope of activities after prior consultation with Central Government.

(c)&(d): Yes, Sir. These guidelines aim at providing bankable documents, uniformity as well as reducing time in finalising bids for private sector port projects by specifying clear-cut bidding procedures, qualification criteria, content and evaluation criteria for technical proposals, selection criteria, financial bid format, revenue sharing, procedure for redeployment of surplus labour, compensation in the event of default, termination procedure, disputes resolution etc. The guidelines also enjoin that private investment does not result in private monopolies and contain safeguards for protection of national security interests.